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Write your name here

Surname	Other names

Pearson Edexcel
International
Advanced Level

Centre Number | | | | | |

Candidate Number | | | | |

Business Studies

Advanced Subsidiary

Unit 2A: Managing the Business

Tuesday 21 January 2014 – Afternoon
Time: 1 hour 15 minutes

Paper Reference
6BSA2/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*
- You may use a calculator.

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- Quality of written communication will be taken into account in the marking of your response to Question 12 in Section B. This question is indicated with an **asterisk***
  – *you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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SECTION A

Answer ALL questions in this section.

Write the letter of your chosen answer in the box and then explain your choice in the space provided.

You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

1 (a) Sarah Pittendrigh owned a corporate events company. Sales revenue fell and her company failed.

This is an example of

(1)

A performance-related pay

B an increase in orders

C good management of cash flow

D changing market conditions

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 1 = 4 marks)

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2 (a) Google offers 'Innovation Time Off' to its employees, to spend on projects that interest them. In 2012, half of Google's new products came from this policy.

According to employee motivational theory, this is an example of

(1)

A self-actualisation

B hygiene factors

C health and safety

D profit share

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 2 = 4 marks)

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3 (a) Paul Railton's company trains workers to lay road surfaces. His forecasted and actual sales revenue for one month (up to 5 working days per week) are shown below.

Forecasted sales revenue £28 000
Actual sales revenue £14 000

In order to achieve his forecasted sales revenue, Paul could do each of the following, **except**

(1)

A advertise more

B cut costs

C discount the training fee

D offer training on more days per week

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 3 = 4 marks)

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4 (a) Tata Steel Europe owns steel producing factories in the UK. In 2012, the factories operated at an average of 71% of their capacity.

The **most likely** way for Tata Steel Europe to increase capacity utilisation is to

(1)

A increase spending on expansion projects

B attract demand from the expanding Chinese market

C increase the price of its steel

D reduce the productivity of its workers

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 4 = 4 marks)

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5 (a) Lego sells toys, such as Harry Potter characters, made from plastic bricks.

Each of the following is a product extension strategy that Lego could use **except**

(1)

A Lego video games

B Lego books

C Lego bricks

D Lego clothing

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 5 = 4 marks)

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6 (a) In India, a country with a population of over 1 billion, the agricultural industry is labour intensive.

This is **most likely** to be because

(1)

A technology is cheap

B finance is readily available

C there is no shortage of suitable workers

D farming is only suited to capital intensive methods

Answer ☐

(b) Explain your answer.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS

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SECTION B

Answer ALL questions in this section.

You are advised to spend 45 minutes on this section.

Evidence A

Amazon's human robots



In Rugeley, a small English town, hundreds of people in orange vests are pushing trollies around an Amazon warehouse, the size of nine football pitches. They are glancing at their hand-held computer devices for directions on where to walk and what to pick up when they get there. The devices measure productivity. Workers may walk up to 15 miles a day.

As traditional UK retailers such as HMV and Comet are being forced out of business, more and more jobs are moving from high street shops to warehouses like Amazon's. Amazon sells millions of items worldwide to over 164 million customers. The electronic version of books, Kindle, is now one of Amazon's main growth areas.

Amazon has said it will open three more UK warehouses over the next two years and create 2,000 more permanent jobs. However, whilst many people in Rugeley welcome the investment, there are those who are shocked by the conditions and insecurity of much of the employment on offer.

Amazon uses an employment agency that tests each potential employee for suitability, manages their working hours and pays successful applicants near minimum wages. The process includes drug and alcohol tests and is designed to be cost-effective. The agency, which is employed to remove the administrative burden of recruiting and managing large numbers of staff, gives workers the opportunity to apply for a permanent position after three months on the job.

Amazon's computer software calculates the most efficient walking route to collect items to fill a trolley, and then directs the worker. 'You're sort of like a robot, but in human form', said an Amazon manager.

Amazon plans to use robots, but will keep plenty of humans because they are better at coping with the vast range of different shaped products the company sells. The efficiency that enables Amazon to put parcels on customer doorsteps so quickly – even when it receives 35 orders a second – is helped by using Kaizen.

Although many of the workers are classed as 'temporary associates' the incentive is to perform well to get a permanent job. One young agency worker said that he was earning £220 a week, compared to £54 he had been receiving in unemployment benefits.

(Source: adapted from *Financial Times*, February 8 2013, Sarah O'Connor)

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7 Explain **one** reason why delaying permanent job contracts might help Amazon to reduce labour costs.

(Total for Question 7 = 4 marks)

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8 Explain **one** reason why the use of computer software in Amazon's warehouses minimises the waste of resources.

(Total for Question 8 = 4 marks)

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9 Analyse **two** reasons why Amazon decided to sell goods online rather than from high street shops.

(Total for Question 9 = 6 marks)

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10 Evaluate Amazon's use of employment agencies to help recruit and manage its staff.

(Total for Question 10 = 8 marks)

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11 Evaluate the likely value to Amazon of using Kaizen.

(10)

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(Total for Question 11 = 10 marks)

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QUESTION 12 BEGINS ON THE NEXT PAGE

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***12** Assess the importance of each of the following to the continuing success of Amazon.

(a) Amazon's brand

(7)

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(b) A niche marketing strategy (for Amazon).

(7)

(Total for Question 12 = 14 marks)

TOTAL FOR SECTION B = 46 MARKS
TOTAL FOR PAPER = 70 MARKS

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